

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
September 13, 2011

Chairman Boyd called the meeting to order at 10:15 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - (None)

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Ramiro Inguanzo	Human Resources Director
Carla Gomez	Labor Relations Specialist
David Crystal	Citizen

A motion was made by Mr. Gomez duly seconded by Mr. Green, and with all in favor it was unanimously

RESOLVED That the Consent Agenda be approved as presented less Item C-13, request for payment (conferences).

A motion was made by Mr. Green duly seconded by Mr. Horday, and with all in favor except Mr. Sinkes who abstained, it was

RESOLVED That Item C-13, Requests for Payment (Conferences) be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the August 9, 2011 board meeting were approved as amended.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Carlos Ocasio	19864	Financial Analyst	UNCL	8/15/2011

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C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Karen Jones	10/01/2011	Vested Retirement	\$ 630.66
Freddie Dennis	9/01/2011	Ordinary Retirement	\$4,879.66

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Richard Reeves	09/01/2011	Dependent 50%	Juliet Reeves	\$256.49

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Marlene Taylor	03/15/2011	\$10,776.13	Resignation
Marquita Griffin	08/23/2011	\$11,255.17	Resignation
Kevin Yates	08/09/2011	\$8,350.25	Resignation
Elvis Monroe	08/26/2011	\$10,726.66	Resignation
Charles Fossler	09/02/2011	\$14,110.66	Resignation
Edward Williams	08/26/2011	\$11,381.90	Resignation
Claude Joseph	02/17/2011	\$6,389.30	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows - (None)

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>Employee Name</u>	<u>Sworn Statement</u>	<u>EMPLOYER QUESTIONNAIRE FORM</u>	<u>Application Resume or Add'nl back-up</u>	<u>Creditable Service Applying for</u>
Emilio Brocato	x	x	x	2.0
Christina Hirschhorn	x	x	x	1.0

C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective</u>	<u>Estimated Monthly Benefit</u>	<u>Maximum Last DROP Date</u>
Celia Locke	9/1/2011	\$ 6,483.03	9/1/2014

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**C-10 Lump Sum Refunds Paid since the last meeting
were approved as follows -**

<u>Name</u>	<u>Date of Check</u>	<u>Voucher</u>	<u>Check Amount</u>	<u>IRS Tax Payment</u>	<u>Tax Payment Date</u>
Dionne Williams	8/11/2011	112777	\$59,984.58	\$11,996.92	8/12/2011
Yanette Bravo	8/12/2011	112778	\$2,627.46	\$656.86	8/15/2011
FBO Monica Diaz	8/12/2011	112779	\$6,777.57	IRA Rollover	NA

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

ADMINISTRATIVE EXPENSES

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of September \$ 5,000.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of September \$ 350.00

Actuary Fee

GRS- Actuary Fee

Services rendered through 7/31/11 Per Inv.# 116025 \$ 2,633.00

Computer Consultant

Ellen Schaffer- Capital Equipment

Consulting & Programming Service Per Inv. # 2439 \$ 2,835.00

Insurance

Citizens Property Insurance- Wind Policy

Policy # 1480880 for the period of 10/12/11-10/12/12 \$ 209.00

Medical Board

Design Neuroscience Center- Medical Records

Medical records for disability applicant Gilberto Moreciego \$ 69.70

Office, etc.

Copier - Sharp Lease

Monthly copier fees per inv.# 184628022 \$ 228.56

Storage - IDD - monthly

Monthly storage fees per invoice # 0062347 \$ 57.94

Printing & Postage- Central Services, CMB

For the month of July & Aug. per inv.# 00024647,00025516 \$ 1,980.96

I.T. Computer Services- Computer & Phone use, CMB

For the month of Aug. & Sept. per inv.# 00024663,00025241 \$ 5,408.00

I.T. Computer Services- Computer & Phone use, CMB

For the months of Dec. 2010 & April 2010 \$ 6,033.34

Office Maintenance - Property Management Fees, CMB

For the month of July & Aug. per inv.# 00024649, 00025518 \$ 2,877.80

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Verification Service- Berwyn Group

Death check verification services Per inv. # 18108	\$	305.00
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Office Maintenance - Shred-It

Shredding of confidential documents	\$	55.00
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Rick Rivera- Misc. Exp.

Board meeting supplies	\$	6.88
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Robert Martinez- Misc. Exp.

Board meeting supplies	\$	19.99
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Investment Fees

Wellington Management Co.- Investment Management Fees

For Qtr. Ending 6/30/11 per invoice # 401167	\$	47,714.00
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Custody Fees

Fiduciary Trust- Custodian

Per inv.# S14800128954	\$	4,961.42
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Conv/Seminars/Dues/Etc

FPPTA- Conf. & Edu.

Trustees School Registration fees for R. Horday	\$	450.00
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Marriott - Conf. & Edu.

Hotel accommodations for R. Horday for FPPTA Trustees School	\$	567.00
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FPPTA- Conf. & Edu.

CPPT Re-certification fee for Richard McKinnon	\$	100.00
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FPPTA- Conf. & Edu.

Trustees School registration for Jonathan Sinkes	\$	450.00
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Hilda Fernandez - Conf. & Edu. reimbursement

Registration reimbursement for FPPTA Wall street	\$	600.00
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REGULAR AGENDA

R-1 Deferred Items -

- A. Review of Vendors - The Administrator provided the Board a package that included a list of the Fund's vendors and contracts. A discussion ensued regarding the monthly bank charges that SunTrust charged the pension plan. The Chairman asked Ms. Walker if she felt that the current monthly service charges that SunTrust was charging the Fund seemed unreasonable. Ms. Walker stated that the charges seemed reasonable considering that the Fund kept a minimum balance in the account. The Board decided that the Administrator should conduct an informal survey of numerous banks and their fee schedules.**

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The Board looked over the Fiduciary Trust International (FTI) custody agreement. The Administrator said that he had not been able to locate the schedule of fees addendum to the agreement. He said that the attached schedule of fees had been provided by a representative of FTI and he believed that the fee schedule had never changed. The Board asked the Administrator to double check that the fee detail provided was the original fee detail. The Chairman stated that once the Administrator obtained the original schedule of fees the Board could then decide what the next step should be regarding the Fund's custodian.

R-2 New Items -

- A. Addendum to Investment Policy - The Administrator said that there was an existing policy for purchases of fixed income investments that are below investment grade. He said that there is no written policy for investment grade securities that are subsequently downgraded to below investment grade.

The Board reviewed the new language for bond downgrades drafted by the Fund Consultant, Bill Cottle. The Board had several questions and comments for Mr. Cottle regarding the new language. The Administrator was requested to contact Mr. Cottle and share the Board's sentiments on this matter. The Board requested that Mr. Cottle be prepared to discuss this item at the November pension board meeting.

- B. Discussion and selection of Amortization methods by Trish Walker - Mr. McKinnon said that he had a point of contention regarding this item. He asked if Robert's Rules of order prevented Ms. Walker from placing this item on the agenda since she had been on the opposing side of the Board's vote several months ago. Ms. Walker stated that this item had not been voted on specifically but that it was one part of the Experience Study approval vote.

Mr. Cypen clarified Robert's Rules of order on this topic stating that reconsideration at the same session required a trustee from the prevailing side to place an item back on the agenda. He stated that anyone could place an item back on an agenda at a subsequent session. Chairman Boyd asked Ms. Walker to proceed with the topic.

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Ms. Walker said that it was her understanding that the vast majority of public pension plans use the level percentage of payroll funding. She stated that the Board had selected the most conservative method of funding, the level dollar method of funding for its method of funding. Ms. Walker said that with regards to the annual required contribution (ARC) it made a big difference which funding method is used. She stated that if the level percentage of payroll funding had been selected by the Board the initial savings to the City's ARC this year would be approximately \$3 million dollars.

Ms. Walker stated her concerns regarding the City Commission currently contemplating lowering the millage and this year's City Budget. She said that the budget advisory committee had recently been given the task of recommending a solution to the escalating annual pension costs. She said that earned benefits could not be lowered but that future benefits of active employees could be modified in an effort to balance the budget. Chairman Boyd expressed his concerns regarding the negative impact this potential change would have on the funded ratio of the Plan. The Board had several actuarial questions regarding this proposal. It was decided that a special meeting should be scheduled and that the Board's actuary, Steve Palmquist, be present.

A motion was made by Ms. Fernandez duly seconded by Ms. Walker, and unanimously

RESOLVED that a special pension board meeting be scheduled before September 27th to discuss amortization methods of the unfunded liability.

- C. Results of GRS annual required contribution (ARC) study requested by City Administration - This item was deferred until the Fund's Actuary could be present.
- D. GRS Memo regarding ARC as a percentage of payroll rule - This item was deferred until the Fund's Actuary could be present.

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R-3 Other Business

- A. Administrator's Report - None
- B. Citizen David Crystal asked about the procedures for approving two (2) year buybacks. The Administrator explained the procedure to Mr. Crystal. The Board requested that the Administrator place two (2) year buyback approval process on next month's agenda.

R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Ms. Walker and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 11:32 a.m.

James Boyd, Chairman

Hilda Fernandez, Secretary